

**City Council of the City of New Castle**  
**Special Council Meeting at Town Hall- 201 Delaware Street- New Castle**  
**Wednesday – January 29, 2014 – 6:00pm**

**Call to order: 6:00 pm**

**Roll Call:**

Councilperson Megginson  
Councilperson Cochran Council  
President Ratchford  
Councilperson Petty  
Councilperson Vannucci

**Also present:**

Janet E. Carlin, City Treasurer  
William J. Barthel City Administrator  
Mayor Donald A. Reese  
Marian C. Delaney, Finance & HR Manager

**Presentation by Vincent Barbone, Auditor from Haggerty and Haggerty, P.A.**

Mr. Barbone recommendation is for New Castle to modify the accounting process from a cash basis to an accrual basis. We already have the program it is just not being utilized to its fullest capacity. The City is not a small Municipality. The City would have a Consultant an outside company come in and list all of the City assets. Everything the city owns would be inventoried. The approximate cost would be \$8,000 to \$10,000 dollars. This would save the city time and money. We would not be using our staff to conduct the inventory. The City does not currently list its assets. The City lists cash only. By listing cash only this is not a correct value on the City. There are several reasons to move in this direction. The City would also have a better credit rating. It would show the true value of the city. This would help the City when it applies for Grants and for capital projects.

Mr. Cochran asked if we could generate a report with the new accounting method. Mr. Barbone answered yes, this would list assets, as well as, liabilities. It seems as if the city is trending more towards major capital projects. All monies and assets would be recorded. This method accounting would definitely benefit the city. Mr. Barthel, City Administrator, felt this is something the City should do. The council can look into the budget and allocate money this year and next year. This would also modernize the cities accounting practice.

**Mid-Year Budget Review**

**Revenue**

Marian Delaney presented this report. Marian Delaney, Kathy Walls and William Barthel reviewed the report early in the day. Kathy Walls created the report format. Marian said there could be changes such as more columns and sub totals. Property tax payments are going very well. Business license collection is also going well as of 12/31 we had collected \$10,713.15, now on 1/29

\$52,935.00 has been collected. Building Dept. Penalties none rec'd YTD. There has been one impact fee from the Riverbend Development and \$500 of that has been paid to Good Will as per agreement. The AT&T Lease budget was \$45,000.00, YTD rec'd \$167,019.35. If we had the recommended accounting procedures in place our budget amount would have been more

accurate. We are waiting for the final payment from the Trustees for the Police Station. Once we rec'd the payment the City will take ownership of the Police Station. The Trustees are 2 payments behind on the ARRA project. This could be due to the fact that the Trustees are changing staff. Municipal Street Aid budget is \$90,000.00 the next payment for the 2<sup>nd</sup> quarter is past due. There have also been staff changes at the state payment office. Marian called today and they are sending the next payment of \$53,026.97. To date the MSC has paid \$250,000.00 there is \$250,000.00 remaining to be paid. DEMA owed \$150,954.00, we have rec'd payment of \$150,953.87.

## **Expenditure Report (Sampling)**

Public Safety line item 6008 the difference is due to pay out to Chief McDerby Motor Fuel Tax Budget amount \$50,000.00 YTD \$32,292.86 and vehicle repair budget is \$30,000.00, YTD \$29,516.47. The reason this is so high it was caused by the police car that went through water. And our insurance carriers are denying coverage. This has been turned over to our City Attorney Dan Losco.

Building Appeal Revolving Fund budget amount \$5,000.00, expenditures YTD \$12,480.00, and collected Fees/Fine \$6,400.00. There several reasons that this is over budget, mold remediation had to be done on a property, also there was a bed bug infestation that had to be addressed. Per Mr. Barthel, John Lloyd has over \$100,000.00 outstanding in fines. The council and Mr. Barthel will be looking at the best way to collect them. Battery Park over time for cleaning the restrooms is at \$1953.60 YTD and our budget amount is \$1,300.00. The City is no longer maintaining Battery Park. The Trustees have taken over Battery Park, the park will no longer be in our budget. Tree expense budget amount \$25,000.00, YTD \$22,360.00, so we can expect a lot more cost this year Mr. Barthel will be riding with John Lloyd next week. They will be prioritizing the tree work. Mayor Donald Reese visited with Senator Nicole Poore in reference to the catch basins by Carrie Downie School.

FEMA budget \$11,200.00 YTD Jeff has used no funds. We received a bill from Corrado for paving and driveway work done in Washington Street. The work was not authorized by the city, so the city will not be paying for the extra work. The City Council advertising budget is \$5,000.00, YTD spent \$3,335.37. The City has done a lot of advertising this year due to the Police Chief and City Administrator job openings

Building Maintenance Public Safety is over budget as it had two very large expenses, an A/C Condenser and an overhead garage door. Insurance budget amount \$310,000.00, YTD \$345,250.26

Engineer Services Budget \$15,000.00, YTD \$81,321.12. Per Mr. Barthel, the City rec'd \$56,732.00 plus \$24,598.00 in the Bond Bill. We are \$9,600.00 over budget, a lot of this money went to the Mayer project ARRA project. This is money well spent. Planning Commission budget \$5,000.00, YTD \$6,190.00 total budget is \$15,000.00

The consensus is that we the City is doing well. Everyone thanked Marian for a great job and Marian responded that it was a team effort.

President Ratchford rec'd a request from Arasapha to receive funding in order for the club to purchase their wreaths for Christmas 2014. Council made a decision not to give funding out of current regular cycle. It was also determined that everyone that had received money in 2013 would be sent a form letter for 2014. The letters will go out the end of February, reminding them of their requests.

President Ratchford presented the information on the FLAP Grant to Council. The Grant would pay for more signs. It could also be for the funding for the National Monument. The City could

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Alliance rec'd the Way Finding Grant these funds could be used for the matching funds The Alliance agreed to the matching the funds. The Grant will be of no cost to the City. It was agreed that the City would apply for the Grant.

As there was no further business President Ratchford asked for a motion to adjourn the meeting, Councilperson Petty made the motion, seconded by Councilperson Vannucci, the motion passed unanimously.

Respectfully submitted,

Sally Denton